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BRAIN RESEARCH→ONCOLOGY TODAY→TETRAHEDRON LETTERS→VASCULAR SURGERY→SCIRUS  
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A PSYCHOLOGICA→MD CONSULT→AMERICAN JOURNAL OF CARDIOLOGY→COMPUTER NETWORKS  
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ONTEXT→BUTTERWORTHS CORE TEXTS→E-MARKETPLACE→LEGAL EXPRESS→LAWCOMMERCE  
EMANN→HARCOURT SCHOOLS PUBLISHERS→GINN→GREENWOOD→HOLT, RINEHART AND WINSTON→  
INTELLIGENCE SERIES→STANFORD ACHIEVEMENT TEST→HARCOURT EDUCATIONAL MEASUREMENT  
→VAMOS DE FIESTA→MATH ADVANTAGE→STORIES IN TIME→HARCOURT CIENCIAS→YOUR HEALTH→  
DARTMATHS→PRACTICAL MATHEMATICS→HARCOURT INTERACTIVE TECHNOLOGY→VEN CONMIGO  
ADO→HOLT SCIENCE & TECHNOLOGY→MODERN CHEMISTRY→KOMM MITT→HOLT ONLINE SCIENCE→  
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DINGTEAM.COM→WIRELESS WEEK→ELSEVIER→BELEGGERS BELANGEN→PACKAGING DIGEST  
WS→BLU & ROSSO→ARCHITEKTUR→VIE DE FAMILLE→CODE CIVIL→ARTE Y CEMENTO→PISCINAS→

# Reed Elsevier

ANNUAL REVIEW AND SUMMARY FINANCIAL STATEMENTS 2002

## Reed Elsevier at a glance

### Science & Medical

Elsevier is a world leading publisher of scientific, technical and medical information. The Science & Technology division publishes 1,200 journals and over 900 books each year, complemented by online and CD-ROM products. The web service ScienceDirect offers more than 3 million full text articles. The Health Sciences division publishes over 8,000 text books and clinical reference works and over 500 journals, supported by electronic services accessed via desktop or hand held devices.

**MORE** [www.elsevier.com](http://www.elsevier.com)

- Science & Technology
- Health Sciences
- Excerpta Medica
- MDL Information Systems
- ScienceDirect

**75 offices**  
**6,400 employees**  
**sales in**  
**173 countries**

### Legal

LexisNexis in the US offers legal research, business and tax information products and services to law firms, corporations, federal, state and local governments, as well as law and business schools. Outside the US, LexisNexis serves markets in Europe, Africa, Asia Pacific and Latin America with a range of local and international legal, business and tax information solutions.

**MORE** [www.lexisnexis.com](http://www.lexisnexis.com)

- North American Legal Markets
- US Corporate & Federal Markets
- Martindale-Hubbell
- LexisNexis Europe and Africa
- LexisNexis Asia Pacific
- LexisNexis Latin America

**85 offices**  
**13,300 employees**  
**sales in**  
**152 countries**

### Education

Harcourt Education is a leading educational publishing company, serving the kindergarten to 12th grade (K-12) and library market in the US and providing educational materials internationally, including in the UK, Australia, New Zealand and South Africa. Harcourt Testing develops assessment products and services for elementary, secondary and higher education as well as tests for practising and research psychologists.

**MORE** [www.harcourt.com](http://www.harcourt.com)

- Harcourt School Publishers
- Holt, Rinehart and Winston
- Harcourt Education International
- Harcourt Educational Measurement
- The Psychological Corporation
- Harcourt Supplemental Publishers
- Harcourt Trade Publishers

**22 offices**  
**5,600 employees**  
**sales in**  
**163 countries**

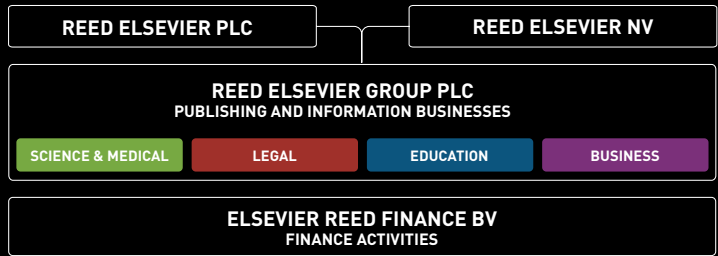
### Business

Reed Business Information provides information and marketing solutions to business professionals in the US, UK, continental Europe, Australia and Asia. Its portfolio includes more than 400 magazine titles, supported by over 300 websites, as well as online services, directories, newsletters, loose-leaf publications, databases and research services. Reed Exhibitions is the world's largest trade show organiser, bringing together over 90,000 suppliers and four million buyers each year.

**MORE** [www.reedbusiness.com](http://www.reedbusiness.com)

- Reed Business Information US
- Reed Business Information UK
- Reed Business Information Netherlands
- Reed Business Information International
- Reed Exhibitions

**77 offices**  
**10,800 employees**  
**sales in**  
**170 countries**



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- ScienceDirect achieved 72% penetration of the subscriber base and 86 million article downloads
- The backfiles project brought the number of articles on ScienceDirect to 3.3 million
- MD Consult subscribers up 15%, sales up 30%
- Acquisition of the STM business of Holtzbrinck in Germany

Turnover  
**£1,295m / €2,059m**

Adjusted operating profit  
**£429m / €682m**

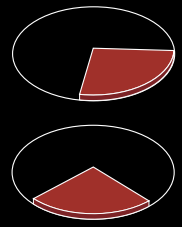


ees

- Outperformance in global legal information markets through increasing usage and customer preference
- Online annotated codes launched for Florida, Texas, New Jersey and Pennsylvania
- Online evidence collection tool for litigation support launched with DolphinSearch
- Acquisitions of leading online legal information services in Germany and Canada

Turnover  
**£1,349m / €2,145m**

Adjusted operating profit  
**£287m / €456m**

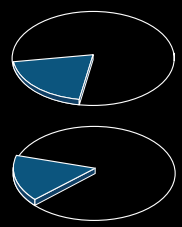


es

- Maintained the leading position in US K-12 adoptions, with 35% of the market
- Completed the integration of Rigby and Steck-Vaughn to form Harcourt Supplemental Publishers
- Major new edition of Stanford Achievement Test adopted in Florida, Alabama, Maryland and South Dakota
- Expanded leading share in UK market

Turnover  
**£993m / €1,579m**

Adjusted operating profit  
**£183m / €291m**

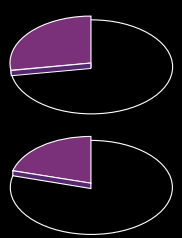


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- Significantly outperformed overall business to business market through market share gains and managing yields
- Electronic services now account for over 20% of RBI UK revenues
- Organic profit growth despite market downturn
- Reed Exhibitions launched 25 shows in 2002

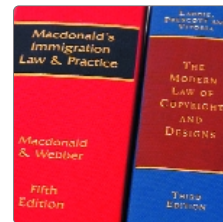
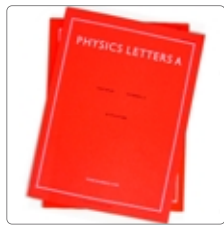
Turnover  
**£1,383m / €2,199m**

Adjusted operating profit  
**£234m / €372m**



2 **Reed Elsevier at a glance**  
 2 **Financial highlights**  
 4 **Report of the Chairman and the Chief Executive Officer**  
 10 **Directors**  
 12 **Operating and financial review**  
 19 **Our products**  
 28 **Corporate social responsibility**  
 30 **Corporate governance**  
 31 **Summary financial statements**  
 38 **Summary directors' remuneration report**  
 42 **Investor information**  
 44 **Financial calendar for 2003**

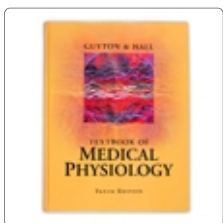
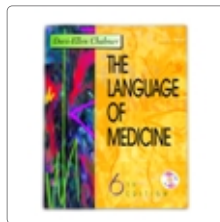
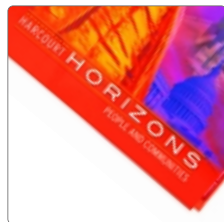
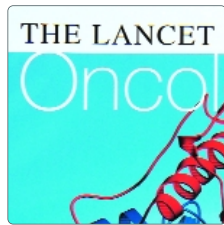
This document contains the Reed Elsevier Annual Review & Summary Financial Statements 2002 for the Reed Elsevier combined businesses and for Reed Elsevier PLC and Reed Elsevier NV. For a full understanding of the results and affairs of the businesses, this document should be read in conjunction with the more detailed separate document, Reed Elsevier Annual Reports & Financial Statements 2002. This information is also available on [www.reedelsevier.com](http://www.reedelsevier.com)



## Indispensable global information

A leading provider of global information driven services and solutions, employing **36,000 people** in over **200 locations** worldwide. In 2002 revenues were **£5 billion/€8 billion**

Delivering products and services to customers, in major markets across the world: North America, Europe, Asia Pacific, Southern Africa and Latin America



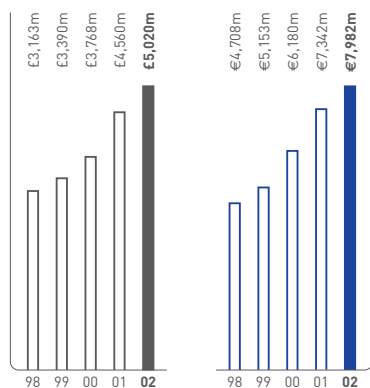
## Financial highlights

### Reed Elsevier combined

for the year ended 31 December 2002

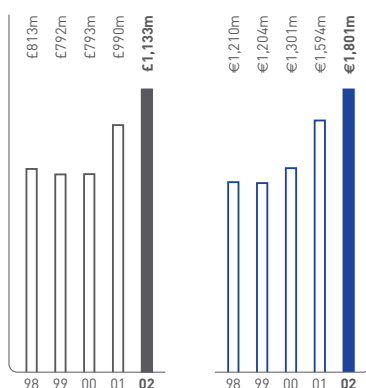
#### Turnover

£5,020m / €7,982m



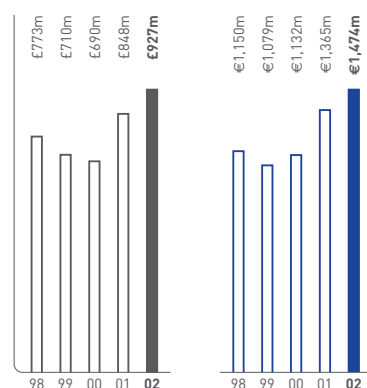
#### Adjusted operating profit

£1,133m / €1,801m



#### Adjusted pre-tax profit

£927m / €1,474m



- Strong financial result and strategic progress
- Revenues up 13%; adjusted pre-tax profits up 11% at constant currencies
- Adjusted operating cashflow of £1 billion/ €1.6 billion representing 89% conversion of adjusted operating profit into cash
- Achievement of financial targets despite difficult economic environment:
  - above market revenue growth across all four businesses;
  - double digit adjusted earnings growth at constant currencies

## Reed Elsevier PLC

for the year ended 31 December 2002

Adjusted operating cash flow

£1,010m / €1,606m

Adjusted eps

28.5p

Year dividend

11.2p

## Reed Elsevier NV

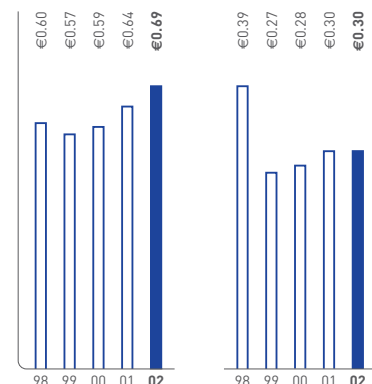
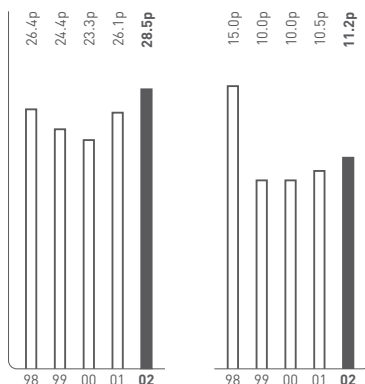
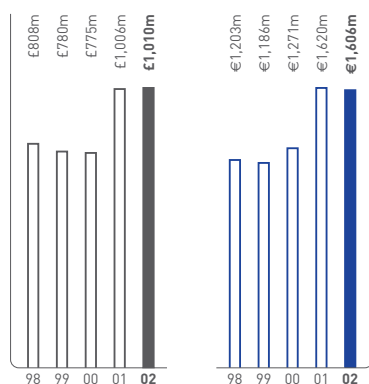
for the year ended 31 December 2002

Adjusted eps

€0.69

Year dividend

€0.30



Adjusted figures are used by Reed Elsevier as additional performance measures and are stated before amortisation of goodwill and intangible assets and exceptional items

- Science & Medical, Legal and Education performing well with organic revenue and profit up 4% and 9%
- Business division outperformed tough market with organic revenue decline limited to 6% and profits up 2%
- Harcourt STM and Education businesses, acquired in 2001, make a strong contribution
- Confidence in future growth potential and relentless commitment to execution